

# Executive Summary

## ES-05 Executive Summary

### Introduction

The city of Fresno (also referred to as “City” or “Fresno”), is located in the center of California’s Central Valley, stands as the largest city in the County of Fresno (County), and is the fifth largest city in the State of California. The City encompasses an area of 113 square miles and is surrounded by mostly rural residential and agricultural land.<sup>1</sup> Fresno has a population of over half a million (500,819)<sup>2</sup> residents, a total of 159,163 households, with a median income of \$42,015.<sup>3</sup>

Of distinct concern is the comparatively high poverty levels found in the City, as the City’s poverty rate is double that of the State of California and is 14 percent higher than the poverty rate for the County.<sup>4</sup> Additionally, the percentage of families experiencing extreme poverty (those with family incomes under \$10,000) is more than double the extreme poverty rate of the state. This contributes to the fact that 47 percent of households are cost burdened and paying more than 30 percent of their income toward housing costs. From 2000 to 2013 the median home values in the City increased by 82 percent and the median contract rent increased by 94 percent.<sup>5</sup> During the same time period the median household income increased by only 30 percent.<sup>6</sup> This indicates that incomes are not keeping pace with the increasing cost of housing.

The City’s lower median income and higher rates of poverty pose severe challenges for those seeking to find decent, affordable housing. As an entitlement jurisdiction, the City of Fresno is tasked with addressing the affordable housing needs of the population and implementing strategies that will contribute to an increase in the overall household income of the City and a decrease in its poverty rate. Through this Consolidated Plan, the City of Fresno will determine the areas of greatest need and those in which community investment can have the most impact given the limited resources available. To adequately address the City’s community needs and support its thriving economy, it has identified and assessed the areas that could benefit most from federal investment through the U.S. Department of Housing and Urban Development (HUD).

As an entitlement jurisdiction, the City of Fresno receives federal funding from the Department of Housing and Urban Development (HUD) to strengthen and revitalize communities through housing and neighborhood investment. The four main federal programs are the Community Development Block Grant (CDBG), HOME Investment

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<sup>1</sup> City of Fresno. “General Plan, Introduction.” Page 1-12. 2014.

<sup>2</sup> 2009-2013 ACS 5-Year Estimates DP05

<sup>3</sup> 2009-2013 ACS 5-Year Estimates S2503

<sup>4</sup> City of Fresno. “General Plan, Economic Development Element.” Page 4. 2014.

<sup>5</sup> 2000 Census (Base Year), 2013 ACS 1-Year Estimates B25064 (Most Recent Year Median Home Value) 2013 ACS 1-Year Estimates DP04 (Most Recent Year Median Contract Rent)

<sup>6</sup> 2000 Census (Base Year), 2009-2013 ACS 5-Year Estimates S2503

Partnerships (HOME), Housing Opportunities for People with AIDS (HOPWA), and Emergency Solutions Grants (ESG) Programs.

- CDBG funding is the most flexible program, and helps jurisdictions address various community development needs in four main funding categories:
  - Public Service: funded projects provide social services and/or other direct support to individuals and households in need of assistance.
  - Community and Economic Development: funded projects assist businesses and organizations with small business loans, façade improvements, and workforce training.
  - Capital Improvement Projects (CIP): Public Facilities/Infrastructure projects aim to improve public facilities and infrastructure. CIP Housing Rehabilitation projects are for housing rehabilitation improvements of single and multi-unit housing.
  - Planning and Administration: includes staffing, preparation of the Consolidated Plan, general management, oversight and coordination.
- HOME funding is used for various housing-related programs and activities, typically to address the housing needs of jurisdictions through the preservation or creation of affordable housing opportunities. Eligible uses include tenant-based rental assistance, homebuyer assistance, rehabilitation, and new construction.<sup>7</sup>
- The ESG Program supports outreach to and shelters for homeless individuals and families. ESG also supports programs that prevent homelessness or rapidly re-house homeless individuals and families.
- HOPWA supports communities in developing affordable housing opportunities and related supportive services for low-income persons living with HIV/AIDS and their families. HOPWA-eligible activities include direct housing, support services, information and referral, resource identification, and technical assistance.

In order to qualify for funding, HUD requires that entitlement jurisdictions complete a Consolidated Plan every five years. The Consolidated Plan includes an analysis of the jurisdiction's housing market, affordable housing, and community development conditions, and provides five-year strategies and goals based on that analysis and through an extensive public participation process. Jurisdictions must also submit an Annual Action Plan to identify the yearly strategies and programs it will fund in order to help meet the goals covered in the Five-Year Consolidated Plan. The annual results are captured in the Consolidated Annual Performance Evaluation Report (CAPER).

### *Five-Year Goals*

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<sup>7</sup> The U.S. Department of Housing and Urban Development. "The HOME Program: HOME Investment Partnerships."  
<http://portal.hud.gov/hudportal/HUD?src=/hudprograms/home-program>

As mentioned above, the Consolidated Plan contains five-year goals based on analysis and public input. The goals are identified below, and form the basis of the priority needs and strategies identified:

1. Increase development, preservation, and rehabilitation of affordable housing for low-income and special needs households.
2. Provide assistance for the homeless and those at risk of becoming homeless through Housing First collaborations.
3. Provide assistance to low-income and special needs households.
4. Provide public facilities improvements to strengthen neighborhood revitalization.

### *Methodology*

The City of Fresno Consolidated Plan for Fiscal Year 2015-2019 includes a Needs Assessment and Market Analysis and serves as the strategic plan that identifies priority needs of the City to help guide the entitlement funding strategy. The majority of data utilized is provided by HUD for the purpose of preparing the Consolidated Plan. HUD periodically receives custom tabulations of data from the U.S. Census Bureau that are largely not available through standard Census products. This data is known as the Comprehensive Housing Affordability Strategy (CHAS) data and it demonstrates the extent of housing problems and housing needs, particularly for low-income households. The CHAS data is used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.<sup>8</sup>

When CHAS data is not available other data is utilized, including 2000 and 2010 U.S. Census data and American Community Survey (ACS) 2009-2013 five-year estimates. While ACS one-year estimates provide the most current data, this report utilizes five-year estimates as they reflect a larger sample size and are considered more reliable and precise.<sup>9</sup>

### *Federal Program Requirements*

Federal funds provided under the CDBG, HOME, HOPWA, and ESG programs primarily address the housing and community development needs of low-and moderate-income (LMI) households whose incomes do not exceed 80 percent of the area median family income (AMI), as established by HUD, with adjustments for smaller or larger families.<sup>10</sup> HUD uses three income levels to define LMI households, subject to certain adjustments for areas with unusually high or low-incomes:

- Extremely low-income: Households earning 30 percent or less than the AMI

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<sup>8</sup> U.S. Department of Housing and Urban Development. "Consolidated Planning/CHAS Data."  
<http://www.huduser.org/portal/datasets/cp.html>

<sup>9</sup> United States Census Bureau. "American Community Survey: When to Use 1-year, 3-year, or 5-year Estimates."  
[http://www.census.gov/acs/www/guidance\\_for\\_data\\_users/estimates/](http://www.census.gov/acs/www/guidance_for_data_users/estimates/)

<sup>10</sup> U.S. Department of Housing and Urban Development. "Glossary of CPD Terms."  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/library/glossary](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/glossary)

- Very low-income: Households earning 50 percent or less than the AMI
- Low-income: Households earning 80 percent or less than the AMI

### **Summary of the objectives and outcomes identified in the Plan**

As discussed above, even with relatively lower housing costs compared to other parts of the state, many households in the City struggle to afford housing. Poverty rates are more than double that of the state as a whole, and household incomes are not keeping pace with the rising home values and rents year over year. The City's lower median income and higher rates of poverty pose severe challenges for those seeking to find decent, affordable housing.

The following provides a summary of the results of the Needs Assessment:

#### ***NA – 10 Housing Needs***

- The most common housing problem within the City is cost burden. Forty-seven percent of households (71,090 households) in the City are cost burdened and paying more than 30 percent of their income toward housing costs. This represents 54 percent of renter households and 36 percent of owner households.
- A subset of cost burden in the City is severe cost burden. Twenty-four percent of households (36,305 households) in the City are severely cost burdened and paying more than 50 percent of their income toward housing costs. This represents 32 percent of renter households and 15 percent of owner households.
- The second most common housing problem is overcrowding. Nineteen percent of all households (12,420 households) are overcrowded, with more than one person per room, not including bathrooms, porches, foyers, halls, or half-rooms.

#### ***NA– 15 Disproportionately Greater Need: Housing Problems***

- Per HUD definitions, no racial or ethnic group has a disproportionately greater housing problems in comparison to the City as a whole.

#### ***NA–20 Disproportionately Greater Need: Severe Housing Problems***

- Nearly one-half (46 percent) of Asian households (1,095 households) in the 50-80% AMI category experience severe housing problems, compared to 36 percent of the jurisdiction as a whole.

#### ***NA–25 Disproportionately Greater Need: Housing Cost Burden***

- Forty-seven percent of households in the City are cost burdened and paying more than 30 percent of their income toward housing costs.
- Twenty-four percent of households in the City are severely cost burdened and paying more than 50 percent of their income toward housing costs.
- Thirty-six percent of American Indian, Alaska Native households are disproportionately cost burdened and paying more than 30 percent of their

income toward housing costs, compared to 23 percent of the jurisdiction as a whole.

- Thirty-seven percent of Black / African American households and 34 percent of Pacific Islander households are disproportionately severely cost burdened and paying more than 50 percent of their income toward housing costs, compared to 24 percent of the jurisdiction as a whole.

#### *NA-35 Public Housing*

- Households receiving public housing or Housing Choice Voucher assistance in the City have an average income of \$11,000 - \$11,500 a year.
- Due to limited funding, the citywide waitlist for Section 8 recipients contains 36,000 households as of 2015. Applicants are chosen via lottery and, generally, can expect to be on the waitlist for at least 2 years.
- The waitlist for public housing contains 24,233 households.

#### *NA-40 Homeless Needs*

- The 2014 Point in Time Count found that 2,116 homeless persons were living in the City, and approximately 73 percent (1,536 individuals) were unsheltered and living in a place not fit for human habitation.
- Data from the 2014 Point in Time count shown in the above tables found approximately 350 persons in households with children in the city of Fresno on a single night; 100 will become homeless each year and they will experience homelessness for approximately 60 days.
- Of the 1,536 unsheltered homeless residents, 23 percent were categorized as chronically homeless and nearly 5 percent of those surveyed represented families with children. Additionally, 15 percent of the homeless were mentally ill and unlikely to remain housed without supportive services.

#### *NA-45 Non-Homeless Special Needs*

- Nine percent of City residents (46,513 individuals) are 65 years and over and 22 percent of households (34,294 households) in the City contain at least one person 62 years or older.
- Individuals 65 and older are disproportionately disabled, with nearly one-half (46 percent) experiencing a disability.
- Twenty percent of City households are large households (31,490 households), and have 5 or more persons.
- Twelve percent of City households (18,424 households) are single parent female-headed households with children under the age of 18.

#### *NA-50 Non-Housing Community Development Needs*

- Residents and stakeholders who participated in the community outreach for the Consolidated Plan identified the following community development needs as high priorities within these three categories:
  - Public Facilities: Parks and Recreation; Youth Centers; Educational Facilities; Facilities for the Homeless
  - Public Improvements: Street Improvements; New/Renovated Playgrounds; Clearance of Vacant Lots; Lighting
  - Public Services: Transportation Services; Crime Prevention; Youth Services; Mental Health Services; Health Services; Tenant/ Landlord Counseling Services

### **Evaluation of past performance**

The City of Fresno, as the municipal entity, is responsible for ensuring compliance with all rules and regulations associated with the CDBG, HOME, HOPWA, and ESG entitlement grant programs. The City of Fresno's Annual Action Plans and CAPERs have provided many details about the goals, projects, program expenditures and program performance.

The City of Fresno recognizes evaluation of past performance is critical to ensure the City funded departments and its subrecipients are implementing activities effectively and that those activities align with the City of Fresno's overall strategies and goals. The following paragraphs is a review of prior year performance and goals.

Increase the Availability of Decent Housing – HOME funds are used to meet this objective through the New Construction and CHDO Programs. While the City of Fresno did not meet the goals established in the 2010-2014 Consolidated Plan, it will continue to use the funds to address available and decent housing.

Increase the Affordability of Decent Housing – HOME funds are used to provide gap financing to developers for the development of new multi-family and single family housing. While the City of Fresno did not meet the goals established in the 2010-2014 Consolidated Plan, it will continue to use HOME funds to increase the affordability of decent housing.

Increase the Accessibility to Decent Housing – Fair Housing Council of Fresno County ensures protected classes are made aware of their rights to housing. The fair housing program ensures persons are made aware of their rights to live in the environment of their choice. While the City of Fresno did not meet its goals in the 2010-2014 Consolidated Plan, all entitlement funds will be used in a manner to increase the accessibility to decent housing.

Increase Accessibility to a Suitable Living Environment – Many CDBG areas have blighted conditions that have accrued over time for lack of a concerted community development effort. Through the CDBG-funded Community Revitalization efforts, the City of Fresno funds code enforcement inspections which have had a substantial impact on blighted conditions. The City of Fresno will continue to use CDBG funds in a manner that increases the accessibility to a suitable living environment.

Sustainability of a Suitable Living Environment – The City continues its effort to work with to suppress crime in low income areas with the district crime suppression teams. Other priorities identified in the Consolidated Plan that create suitable living environments include the following five priorities:

- Public facilities
- Housing rehabilitation and acquisition (including code enforcement)
- New construction of affordable housing
- Crime awareness
- Emergency shelters and transitional housing.

Sustainability of Decent Housing – The City of Fresno used HOME and CDBG funds to maintain its affordable housing stock to sustain decent housing. The City of Fresno will continue using funds in this manner.

### **Summary of citizen participation process and consultation process**

The City of Fresno, in partnership with LeSar Development Consultants (LDC) and California Coalition for Rural Housing (CCRH), facilitated a comprehensive outreach strategy to enhance coordination and discuss new approaches and efficiencies to deliver services, provide decent and affordable housing, develop and strengthen neighborhood assets, and build more livable communities in the neighborhoods of highest need.

As part of the outreach strategy, CCRH and the City of Fresno developed a robust database of nearly 300 community development and housing service providers, workforce developers, community advocates, public agencies, and businesses across the City. Through this comprehensive database, stakeholders were consistently engaged, updated, and encouraged to participate in the Consolidated Plan process both through email and personal phone calls. Stakeholders were also asked to promote the outreach activities (e.g., neighborhood forums and community needs survey) with their constituents and beneficiaries. Elected leaders, community planners, and public agencies and departments (City, County and region-wide) also worked to promote the Consolidated Planning process by updating their social media pages, speaking with residents, and circulating the email notifications. Many of the organizations, including the California Endowment and the local United Way, forwarded the email to their mailing lists and promoted the events to their local partners.



The City of Fresno also promoted the forums and survey links on its website and several elected officials advertised the events through social media. On March 11, 2015 City of Fresno Staff participated in a live interview on Radio Bilingue to further promote the events and surveys.

In addition to citywide outreach, staff also conducted targeted outreach in lower-income, CDBG-Eligible communities – particularly El Dorado Park and Southwest Fresno. In both neighborhoods, the City of Fresno worked with neighborhood leaders to plan the logistics of the forums (including locations, dates, and times) and conduct outreach. In the El Dorado Park community, neighborhood leaders distributed printed flyers door-to-door and flyers were made available at the Neighborhood Resource Center. The El Dorado Park Community Development Consortium also sent an email blast promoting the forums and survey to their mailing list.

In Southwest Fresno, City of Fresno staff worked with the school district to arrange for English and Spanish flyers to go home in student's backpacks at Lincoln, Lowell, and Yokomi Elementary schools. Each school also organized two Tel-Parent calls to inform parents about the forums and the Consolidated Plan process. City of Fresno staff also presented at neighborhood meetings to inform faith and community leaders to promote the events to their clients and congregations. The Citizen Participation process is described in greater detail in PR-15 Citizen Participation.

### Summary of comments or views not accepted and reasons for not accepting them

During development of the Consolidated Plan the City received two public comments.

Name/Organization	Comment	Response
<b>Oliver Baines III, Council President of the City Council, District 3 -</b>		
<b>Housing</b>	1) A need for a strong rehabilitation program that provides grants—not loans—to low-income persons who are home owners.	The Consolidated Plan found this was a high priority for the Community as well. As part of implementation, staff will review programs for rehabilitation and consider amendments that provide a sliding scale for grants to loans based upon income levels
	2) A strong rehabilitation program for single and multi-family affordable rental housing.	The Community ranked these programs highly. The department has increased funding in the first Action



		Plan year to address these concerns.
	<p>3) A strong City Code Enforcement Division focused on the correct skill sets to aggressively focus on enforcement of current local, state, and federal laws to ensure that everyone is provided safe, decent, and affordable housing. Needed skills sets would include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• Building and safety inspectors</li> <li>• Building rehabilitation specialist</li> <li>• Clerical support to answer calls from community, as well as generate proper notification to property owners</li> </ul>	While Code Enforcement ranked highly with the Community, the Mayor's proposed Budget calls for funds in the General Fund for Code Enforcement citywide and CDBG-funded targeted Community Revitalization activities in areas identified as needing more resources to identify unsafe housing conditions.
<b>Public Facilities</b>	4) Increased services to children and seniors through our Parks and Recreational Services at all City-owned community centers, including those operated by not-for profits, such as the Mary Ella Brown Center, which has no current City PARCS staffing on site for senior programming, nor youth programming.	This also ranked highly with the public. Funds will continue to be prioritized for Parks and Recreational Services in the Annual Action Plan. We will work with the PARCS Department to ensure the programming is distributed throughout eligible neighborhoods.
	5) Infrastructure and Neighborhood	This is another high-ranking priority. The Annual Action

	Improvements Additional funding needed for neighborhood street improvements, which could include water sewer, storm water, and drainage, or Americans with Disability Act (ADA) required access. Use of such funds should require input from the council office(s).	Plan includes funding for street reconstructions and complete streets projects in eligible neighborhoods.
<b>Public Services</b>	6) Decrease moving zero funding for crime prevention programs, but focus on increasing youth, veterans, and senior services.	Crime Prevention activities include graffiti removal in target neighborhoods. This activity is proposed for funding in the next Annual Action Plan.
	7) Direct funding of the Fresno Madera Continuum of Care (FMCoC) to ensure point-in-time survey and NOFA are written (\$50,000)	There are funds set aside for Homeless Activities including HMIS, street outreach, and administration; the listed activities are eligible for funding.
<b>Economic Development: Job Creation in Low Income Neighborhoods</b>	8) Employment training for all working-age people 14-62 that includes soft skills, remedial skills, resume writing, interview skills, job placement, and purchasing of any needed supplies for participants during the training, as deemed appropriate.	Economic Development was a medium priority in the public meetings and as such, no new funding was prioritized in the proposed Annual Action Plan.
<b>The following comments speak to the Emergency Solutions Grant (ESG) funding:</b>		
	1) Ensure funds are programmed and spent within the timelines provided by HUD	The FMCoC has also requested speedier delivery of program funds. In working

	and to provide internal oversight of progress for data-driven results.	with our consultant, we have identified procedural improvements to program the funds more quickly.
	2) Continued and enhanced focus on Street Outreach Services supported by the FMCoC that would provide around-the-clock support by trained Police staff who can assist with those persons experiencing homelessness who may have drug and alcohol addictions, and mental health issues, etc.	The FMCoC has prioritized outreach that results in housing through the MAP Point project and the 25 Cities Initiative among others. These activities are proposed for funding in the Annual Action Plan.
	3) Continued assistance to those experiencing homelessness to move to permanent housing.	Housing is a priority for the FMCoC to improve outcomes for homeless individuals and their families. The Annual Action Plan proposes to continue to support this priority.
<b>The following comments are for HOME Funds:</b>		
	1) Ensure funds are programmed and spent within the timelines provided by HUD and to provide internal oversight of progress for data-driven results.	The City is currently within expected timelines requirements for HOME funds. It is anticipated the City will continue to improve once additional Community Development agencies are developed.
	2) Provide funds to projects that are more shovel-ready, with strong development timelines and a strong mix of incomes—including market rate within the proposed community.	The current HOME allocation guidelines prioritize projects that are “shovel ready”. None of the federal programs allows funding for above 80% units but can be used within market rate projects to increase affordability in

		dispersed neighborhoods.
	3) My district can no longer be filled with only affordable housing units, but the entire community should have access to affordable housing in all areas of our city.	The HOME allocation guidelines currently prioritize funding in downtown and in neighborhoods adjacent to downtown. The Housing Division will review this priority with the Administration to determine if changes should be made.
<b>The following comments are for Housing Opportunities for persons with AIDS (HOPWA):</b>		
	1) Ensure funds are programmed and spent within the timelines provided by HUD and to provide internal oversight of progress for data-driven results.	This will be the City's first year administering the HOPWA program. It is anticipated the City can continue agreements with the County and the Housing Authority to ensure continuity of service and speed of delivery.
	2) Please seek to leverage programing by the County of Fresno and community-based agencies who are working with people with AIDS to ensure they are housed in safe, decent, and affordable housing at all times.	The State Department of Health worked closely with the County of Fresno to provide services to persons with HIV/AIDS. The City intends to continue this relationship with the transfer of program responsibility.
	3) Finally, I request the City Council and Administration be provided with: <ul style="list-style-type: none"> <li>• Appropriate staffing and the percentage of time allotted to carrying out federally funded programs or community-based agencies carrying out all federal programs.</li> </ul>	<p>The Administration is evaluating the current staffing levels and priorities.</p> <p>The Housing Division is developing a reporting system to ensure program outcomes are reviewed regularly. The Division will</p>

	<ul style="list-style-type: none"> <li>• A quarterly written report, financial and narrative, of progress towards our stated goals, objections, and spending plans.</li> <li>• Units and persons assisted from both internally funded departments and community-based partners.</li> </ul>	consider these recommendations in developing the reports.
<b>Luisa Medina, Private Citizen - Concerned about program performance:</b>		
	1) New Construction had \$8.5 million appropriated, but only expended \$3.8 million. What are the plans with the balance?	A number of programs, including major street projects, have been carried over to the following program year. Street and infrastructure projects have time delays due to engineering, contracting, and weather. The City will complete the projects in the following reporting year.
	2) Target Area Distressed Program has \$1.1 million funded with zero expenditures. What are the plans to expend the dollars and how will the dollars be put on the street as quickly as possible?	<p>As stated in the CAPER, the Targeted programs were delayed in starting due to program design, contracting, and client selection processes. The Division now has an active contractor in place and a number of clients ready for assistance.</p> <p>The funds will be carried over to the next program year and additional emphasis placed on outreach and eligibility.</p>

	3) The Commission and the public need to know the programs that will be implemented.	The Annual Action Plan was published on May 5 for a separate 30-day review period, outlining specific programs and goals for 2015-16. The Commission will review and take action on the Annual Action Plan in making recommendations to the City Council.
	4) Homelessness is a major problem in our community and has been in play for years. To the extent, these dollars are intended to be utilized to help those most vulnerable in the community, the Commission and public need to know the programs that will be implemented.	The FMCoC works closely with the City to prioritize funding for homelessness and identify the most appropriate allocations. The Commission has requested a workshop on FMCoC and will be scheduled after approval of the Annual Action Plan.
	5) Community Revitalization, the chart is showing 5,242 homes, and she isn't sure what that number is.	Community Revitalization is a targeted neighborhood code enforcement activity, which address health and safety violations in homes, building code violations in commercial structures, and zoning code issues in targeted neighborhoods. In the prior program year (2013-14) the Division issued citations on 5,242 residential units resulting in improved living conditions for low income residents.

The Consolidated Plan was still under the public review and comment period at the time of publishing the agenda item. The Housing and Community Development Commission (HCDC) will conduct a public hearing scheduled on Wednesday, May 13, 2015. Public comments received during the final days of the public review period will be read into the record at the Council meeting scheduled for Thursday, May 14, 2015.